ECON 239 – Business, Law and Economics
Fall 2015
Syllabus

Class meets: M 3–6 pm in Baker Hall 116
Instructor: David Warden
Office: Ryon Engr. Lab 234
Office hours: By Appointment
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Teaching Assistant: Atara Oliver, sao5@rice.edu, 443-602-1067

Required Text: *Principles of Law and Economics* by Cole & Grossman, 2d ed. 2011.

Prerequisites: ECON 201. Preferably be in your junior or senior year at Rice.

Course Description: This course covers the tools in law and economics that are used to characterize efficient laws, and will primarily focus on the substantive areas of property, tort, and contract law. Each year, one to two weeks of class will be devoted to applying those tools to analysis of additional areas of law, such as agency, criminal law, constitutional law, etc. The class is taught by examination of actual cases in the style of a first-year law school "Socratic method," thus, individual class participation is essential.

Attendance policy: You are expected to come to every class.

Office policy: Office hours will be scheduled by appointment as necessary. If your schedule makes it difficult to meet during the week, I will be happy to schedule to meet with you on a weekend.

Grading: Your grade is computed only as a function of your answers to exam questions and class participation, weighed as follows:

Midterm: 35%
Final: 45%
Class participation (essentially oral quizzes): 20%

Numerical scores are translated into letter grades as follows: 97-100 A+, 93-96 A, 90-92 A-, 87-89 B+, 83-86 B, 80-82 B-, 77-79 C+, 73-76 C, 70-72 C-, 67-69 D+, 63-66 D, 60-62 D-, 0-59 F.

Make-ups: There will be no make-ups for missed exams (quizzes, midterm, or final).

Extra credit: There will be no extra credit assignments.

Class Participation and Oral Quizzes: Class participation is essential and will include oral recitation that will count as quizzes on the material to be covered in that day's class. Failure to prepare for a class will make it very difficult to perform well in this phase of your evaluation. Obviously, to make class participation a part of the over-all performance evaluation will require noting attendance, and any unexcused absences will result in an automatic zero for that particular class.

Course Level Learning Outcomes: By the end of this course:

- Students will understand the fundamental principles of property law, tort law, and the law of contracts, as well as have an introduction to at least one additional substantive area of the law, that will change from semester to semester.
- Students will be able to find and research the law using a standard database, such as Westlaw.
- Students will understand the historical evolution of the economic analysis of the law, and will be able to substantively evaluate actual legal cases from both a traditional common law perspective, as well as from an economic perspective.
- Students will be able to evaluate hypothetical fact situations and apply the law appropriately to determine dispute resolution outcomes, again from both a common law and economic perspective.
- Students will be able to brief judicial opinions as is done by judicial law clerks, both in writing and in oral presentations in class.
- Those students interested in later attending law school will have the opportunity to learn more about the process of applying to and attending law school, as well as career opportunities in the legal field for lawyers, and to a limited degree other professionals.

Reasonable accommodation statement: Any student with a documented disability needing academic adjustments or accommodations is requested to speak with me during the first two weeks of class. All discussions will remain confidential. Students with disabilities will need to also contact Disability Support Services in the Ley Student Center.

Any student with a disability requiring accommodations in this course is encouraged to contact me after class or during office hours. Additionally, students will need to contact Disability Support Services in the Ley Student Center.

If you have a documented disability that will impact your work in this class, please contact me to discuss your needs. Additionally, you will need to register with the Disability Support Services Office in the Ley Student Center.

Law school information: Here are two links to information that you may want to use if you have questions about law schools:
http://www.leiterrankings.com/
http://lawfirmaddict.blogspot.com/

TENTATIVE SCHEDULE
CG = Cole & Grossman, *Principles of Law & Economics*
Supplementary material will be assigned in class and/or posted on The Owl Space
*Potential student presentation material

1. **August 24:** Jurisprudence and common law. CG Ch 2 & 3. [Refer to Ch 1 for review of microeconomic concepts.]

2. **August 31:** Legal disputes and process, property rights/acquisition, and an economic theory of property. CG Ch 4. Legal research.
*How to use Westlaw and Lexis; information on Judges; *Butterfield v. Forrester; Davies v. Mann.*

3. **September 14:** How property rights are protected. CG Ch 5.
**Haslem v. Lockwood; Pierson v. Post; Flood v. Kuhn; Naab v. Nolan.*

4. **September 21:** More property and intellectual property. CG Ch 6.
** Vanna White v. Samsung; Fontainbleau Hotel v. Forty-Five Twenty-Five; Spur v. Del Webb; Boomer v. Atlantic Cement; Vincent v. Lake Erie.*

5. **September 28:** More property, limitations and takings. CG Ch 7.
**Poletown v. City of Detroit; Kelo v. City of New London.*

6. **October 5:** [Mid-term Exam will be administered (2 hours – in class).

7. **October 19:** The economic theory of contracts. CG Ch 8.
**Riggs v. Palmer; Curtis v. Anderson.*

8. **October 26:** Contracts, market failure and remedies. CG Ch 9.
*Dice-K Contract for Space Flight; *Hadley v. Baxendale.*

9. **November 2:** Contracts review, gap-filling, specific performance.
**Alcoa v. Essex; Texaco v. Pennzoil.*

10. **November 9:** Tort law and economic theory of tort liability. CG Ch 10.
**Palsgraf v. Long Island RR; United States v. Carroll Towing; McCarty v. Pheasant Run, Inc.*

11. **November 16:** Economic theory of strict liability and negligence. CG Ch 11.
**Fischer v. Red Lions Inns; Helling v. Carey; Escola v. Coca Cola Bottling; Klein v. Pyrodyne Corp.*

12. **November 23:** Tort reform, product liability, insurance, vicarious liability, comparative negligence, and punitive damages. CG Ch 12.
**Liebeck v. McDonald's; Torres v. Reardon; Desert Cab v. Marino.*

13. **November 30:** Economic and ethical analysis of financial system regulation. Materials to be provided on The Owl Space.

We will discuss the possibility of a comprehensive review session, as the Final Exam will cover all topics for the entire semester.

Exam Date to be assigned during the time period December 9-16, 2015.